

Section 3 Signature Information

3.1 General Information

We offer the same signature options as the IRS. We have a pen-on-paper signature option and an e-Signature option.

We will accept all signature methods for all California individual e-file return types (Forms 540, 540 2EZ, and 540NR Long and Short) throughout the duration of the e-file season.

Reminder: The taxpayer must be allowed to review their completed tax return before using any of the signature options. Also, the return must be signed before you transmit it to the FTB.

3.2 Pen-on-Paper Signature Option – Form FTB 8453

Form FTB 8453, *California e-file Return Authorization for Individuals*, is used when the taxpayer signs using the paper method. Do not use IRS Form 8453 for California e-filing purposes. The federal and state forms are **NOT** interchangeable. Please do not mail California's form FTB 8453 to the IRS or to FTB.

Form FTB 8453 serves to:

- Authenticate the return.
- Authorize the ERO to file the return on the taxpayer's behalf.
- Authorize the ERO to transmit the tax return electronically to us either directly or through a third-party Transmitter.
- Provide the taxpayer's written consent to have their refund directly deposited or their tax payment debited from their financial institution.
- Authorize us to inform the taxpayer's ERO or Transmitter that the taxpayer's return has been accepted or rejected and when rejected, to identify the reason(s) for rejection.
- Authorize us to inform the taxpayer's ERO or Transmitter of the reason(s) for return processing delays or when the refund was sent.
- Remind taxpayers who are filing balance due returns, of their liability for paying taxes, and if applicable, any interest and penalties.

Note: The ERO must provide the taxpayer with a copy of form FTB 8453, Forms W-2, W-2G, and 1099-R and a copy of Form 540, Short Form 540NR, Long Form 540NR, or Form 540 2EZ showing the electronic data transmitted to us.

EROs must retain forms FTB 8453 at their place of business for four years from the due date of the return or four years from the date the return is filed, whichever is later. California tax returns for taxable year 2005 have an automatic extension to file to October 16, 2006 and must be retained by the ERO until October 16, 2010. **DO NOT SEND FORM FTB 8453 TO THE FRANCHISE TAX BOARD OR TO THE IRS.** Please notify your clients not to send form FTB 8453 to the FTB or the IRS.

Failure to maintain forms FTB 8453 as required, or incomplete or erroneous forms may result in immediate suspension from California's e-file Program.

3.2 e-Signature Option

We offer the same PIN methods as the IRS: the Self-Select PIN method, the Practitioner PIN method, and the ERO PIN.

a. Practitioner PIN Method (form FTB 8879)

Form FTB 8879, *California e-file Signature Authorization for Individuals*, is used when the taxpayer signs using the Practitioner PIN Method. The Practitioner PIN method is an option only available for taxpayers who use an ERO to e-file their return.

Form FTB 8879 serves to:

- Authenticate the return.
- Authorize the ERO to file the return on the taxpayer's behalf.
- Authorize the ERO to enter the taxpayer's PIN on the return on the taxpayer's behalf.
- Authorize the ERO to transmit the tax return electronically to us either directly or through a third-party Transmitter.
- Provide the taxpayer's written consent to have their refund directly deposited or their tax payment debited from their financial institution.
- Authorize us to inform the taxpayer's ERO or Transmitter that the taxpayer's return has been accepted or rejected and when rejected, to identify the reason(s) for rejection.
- Authorize us to inform the taxpayer's ERO or Transmitter of the reason(s) for return processing delays or when the refund was sent.
- Remind taxpayers who are filing balance due returns, of their liability for paying taxes, and if applicable, any interest and penalties.

Note: The ERO must provide the taxpayer with a copy of Forms W-2, W-2G, and 1099-R and a copy of Form 540, Short Form 540NR, Long Form 540NR, or Form 540 2EZ showing the electronic data transmitted to us.

EROs must retain forms FTB 8879 at their place of business for four years from the due date of the return or four years from the date the return is filed, whichever is later. California tax returns for taxable year 2005 have an automatic extension to file to October 16, 2006 and must be retained by the ERO until October 16, 2010. **DO NOT SEND FORM FTB 8879 TO THE FRANCHISE TAX BOARD OR TO THE IRS.** Please notify your clients not to send form FTB 8879 to the FTB or the IRS.

Failure to maintain forms FTB 8879 as required, or incomplete or erroneous forms may result in immediate suspension from California's e-file Program.

To sign using this method, the taxpayer(s) must:

- Review the appropriate jurat/disclosure statements for their filing situation.
- Select a PIN consisting of any five numbers (except all zeros).
- Review and sign the *California e-file Signature Authorization for Individuals* (FTB 8879).

When taxpayers are married filing jointly, each taxpayer must complete these steps.

By signing form FTB 8879, the taxpayer(s) give you one-time authorization to enter their PIN for their individual e-file return. As the ERO, you must also sign form FTB 8879. For more information about form FTB 8879, go to Section 2.6.

Do not use IRS Form 8879 for California e-filing purposes. The federal and state forms are **NOT** interchangeable. Please do not mail California's form FTB 8879 to the IRS or to FTB.

You must enter the taxpayer(s) PIN(s) as instructed on form FTB 8879 and sign the return using the ERO PIN.

NOTE: The shared secret is generally not required when using this method. **Exception:** On a return where the taxpayers are married filing jointly **and one** of the taxpayers chooses to enter their own PIN on your computer, that taxpayer must enter his or her shared secret. Refer to Section 3.2b for more information about the shared secret.

b. Self-Select PIN Method

The Self-Select PIN method is an option for taxpayers who enter their own electronic signature on the e-file return. To sign using this method, the taxpayer(s) must have access to your computer to do the following:

- Review the appropriate jurat/disclosure statements for their filing situation.
- Enter a PIN consisting of any five numbers (except all zeros).
- Enter a shared secret known to the FTB.

When taxpayers are married filing jointly, each taxpayer must complete these steps.

For California returns, the shared secret is the California AGI from the taxpayer's 2004 original California individual income tax return (do not use values from an amended or modified return):

- Form 540 – Line 17
- Form 540A – Line 14
- Form 540 2EZ – Line 13
- Form 540NR – Line 21 (both Long and Short forms)

If the California AGI is a negative amount, be sure the taxpayer enters the amount as a negative value. If the value is not within \$1 of our records, we will reject the return.

If taxpayers filed a joint return for 2004 and file separately for 2005, both will enter the same California AGI from the 2004 return. Do not divide the AGI between the taxpayers.

If taxpayers filed separate returns for 2004 and file jointly for 2005, they will each enter the California AGI from their respective returns. Do not combine the AGI from the two returns.

If your client signs using this method, you must sign the return electronically using the ERO PIN.

c. The ERO PIN

You must use the ERO PIN when your client uses either the Self-Select PIN or Practitioner PIN method to electronically sign their individual e-file return.

The ERO PIN is made up of two components:

1. The ERO's six-digit electronic filer identification number (EFIN).
2. Any five numbers (except all zeros).

d. Differences between the IRS & FTB e-Signature Programs

We follow the IRS electronic signature specifications to the extent that they apply to our Individual e-file Program. Key differences include:

- **Shared secret** – We require the original California AGI, rather than the federal AGI.
- **Prior-year nonresidents** – Taxpayers who filed a Form 540NR for taxable year 2004 may use any of the electronic signature methods.
- **Prior-year non-filers** – Taxpayers who did not file (or did not need to file) a 2004 California individual income tax return **cannot sign using the Self-Select PIN method**. These taxpayers must sign the *California e-file Return Authorization for Individuals* (FTB 8453) or use the Practitioner PIN method.
- **Extension of time to file** – We offer an automatic six-month extension of time to file California individual income tax returns. No form or signature is required to receive this extension.
- **Returns filed after cut-off** – Taxpayers who filed a 2004 California tax return after November 15, 2005 cannot sign their 2005 California tax return using the Self-Select PIN method.

3.3 e-Signature Taxpayer Eligibility Requirements

Practitioner PIN: All taxpayers are eligible to sign electronically using the Practitioner PIN method, provided the ERO follows the fraud prevention procedures described in FTB Pubs 1345 and 1345A.

Self-Select PIN Method: Only taxpayers who filed a 2004 California individual income tax return (Form 540, 540A, 540 2EZ, or 540NR) on or before November 15, 2005 are eligible to use the Self-Select PIN method.

- If a taxpayer did not file a 2004 California individual return, or was not required to file a 2004 California individual return, they may still e-file by signing the *California e-file Return Authorization for Individuals* (FTB 8453 or 8453-OL) or by using the Practitioner PIN method.

3.4 Summary of Signature Options

The following chart shows the taxpayer's and ERO's responsibilities when using each of the signature options.

	Practitioner PIN	Self-Select PIN	Form FTB 8453
Taxpayer must:	<ul style="list-style-type: none">• Review and sign form FTB 8879.	<ul style="list-style-type: none">• Enter their PIN on your computer.• Provide their shared secret (prior-year California AGI).	<ul style="list-style-type: none">• Review, sign & retain form FTB 8453.
ERO must:	<ul style="list-style-type: none">• Review, sign & retain form FTB 8879.• Enter your client's PIN as shown on form FTB 8879.• Enter your ERO PIN.	<ul style="list-style-type: none">• Allow the taxpayer access to your computer.• Enter your ERO PIN.	<ul style="list-style-type: none">• Review, sign & retain form FTB 8453.
Notes	Shared secret is generally not required.*	No paper forms required.	No shared secret or form FTB 8879 required.

- If, on a joint return, one taxpayer chooses to enter his or her own PIN and the other authorizes you to enter a PIN for him or her, the first taxpayer must also enter a shared secret.